

EXHIBIT A

PROPOSED TARIFFS

ILLINOIS POWER COMPANY
SCHEDULE OF RATES FOR GAS SERVICE

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SCHEDULE OF RATES FOR GAS SERVICE**

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Adjustment for Pipeline Transition Surcharge

1. Applicability

Applicable to all Customers served under Service Classifications 51, 63, 64, 65, 67, 68 and 76, and special contracts explicitly made subject to this Rider.

2. Purpose of Rider

The purpose of this Rider is to compute, for each monthly billing period, a Pipeline Transition Surcharge Adjustment (PTSA) designed to recover direct-billed "take-or-pay" charges, gas supply realignment charges and interest billed to Utility by its pipeline suppliers under tariffs approved by the Federal Energy Regulatory Commission (FERC). Such PTSA shall be applicable to all therms of gas delivered to all Customers served under Utility's Schedule of Rates for Gas Service, with the exception of Customers, if any, served under an anti-bypass contract or rate.

***3. Pipeline Transition Surcharge Adjustment**

The Pipeline Transition Surcharge Adjustment (PTSA) applicable for billing each month shall be equal to the sum of the following adjustments applicable for the billing period:

- (a) The Take-or-Pay Adjustment provided in Section 4 hereof.
- (b) The Gas Supply Realignment Adjustment provided in Section 5 hereof.
- (c) The Take-or-Pay Reconciliation Adjustment provided in Section 6 hereof.
- (d) The Gas Supply Realignment Reconciliation Adjustment provided in Section 7 hereof.
- (e) Total Take-or-Pay Reconciliation Adjustment provided in Section 10 hereof.
- (f) Total Gas Supply Realignment Reconciliation Adjustment provided in Section 11 hereof.

For billing purposes, the PTSA consisting of the applicable components listed above will be reflected on a single line on Customer's bill.

4. Take-or-Pay Adjustment

Each month Utility shall calculate a Take-or-Pay Adjustment (TPA) effective for billing during the following month as follows:

$$TPA = \frac{MPC \times 12}{ATS + AWG - ABT}$$

where:

TPA = Take-or-Pay Adjustment The Take-or-Pay Adjustment rounded to the nearest 0.001¢ per therm applicable for the billing period.

MPC = Monthly Pipeline Charges The total take-or-pay costs payable by Utility to its pipeline suppliers during the monthly billing period of the Take-or-Pay Adjustment.

ATS = Annual Therm Sales The number of therms associated with service rendered during the twelve consecutive months ended two months prior to the billing period.

AWG = Annual Wheeled Gas The number of therms of customer-owned gas transported and delivered to Customers under Service Classification 76 and Rider OT during the twelve consecutive months ended two months prior to the billing period.

ABT = Anti-Bypass Therms The number of therms of gas sales and therms of customer-owned gas transported and delivered to Customers served under an anti-bypass contract or rate, if any, during the twelve consecutive months ended two months prior to the billing period.

5. Gas Supply Realignment Adjustment

Each month Utility shall calculate a Gas Supply Realignment Adjustment (GSRA) effective for billing during the following month as follows:

$$GSRA = \frac{(MPC + MCC) \times 12}{ATS + AWG - ABT}$$

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5. Gas Supply Realignment Adjustment (Continued)

Where:

GSRA = Gas Supply Realignment Adjustment The Gas Supply Realignment Adjustment rounded to the nearest 0.001¢ per therm applicable for the billing period.

MPC = Monthly Pipeline Charges The total gas supply realignment costs payable by Utility to its pipeline suppliers during the monthly billing period of the Gas Supply Realignment Adjustment.

MCC = Monthly Customer Credits The total monthly credits given to Customers during the monthly billing period of the Gas Supply Realignment Adjustment for gas supply realignment costs paid by Customers to pipeline suppliers pursuant to Section 9 herein.

ATS = Annual Therm Sales The number of therms associated with service rendered during the twelve consecutive months ended two months prior to the billing period.

AWG = Annual Wheeled Gas The number of therms of customer-owned gas transported and delivered to Customers under Service Classification 76 and Rider OT during the twelve consecutive months ended two months prior to the billing period.

ABT = Anti-Bypass Therms The number of therms of gas sales and therms of customer-owned gas transported and delivered to Customers served under an anti-bypass contract or rate, if any, during the twelve consecutive months ended two months prior to the billing period.

6. Take-or-Pay Reconciliation Adjustment

A Take-or-Pay Reconciliation Adjustment shall be computed after the conclusion of each twelve months of billing the Take-or-Pay Adjustment provided in Section 4 above, (the Collection Periods), and after the final TPA Collection Period, to determine a charge or credit per therm (Take-or-Pay Reconciliation Adjustment) based on the under- or over-collection of such Take-or-Pay Adjustment during the Collection Period and interest on such under- or over-collection during a twelve month recovery period. The Take-or-Pay Reconciliation Adjustment shall be effective for billing during the twelve monthly billing periods beginning on Utility's first billing cycle of the third billing month succeeding the Collection Period or final TPA Collection Period or until the applicable over- or under-collection is completely eliminated. Each Take-or-Pay Reconciliation Adjustment shall be determined as follows:

$$TPRA = \frac{AB \times IF}{ATS + AWG - ABT}$$

where:

TPRA = Take-or-Pay Reconciliation Adjustment The Take-or-Pay Reconciliation Adjustment rounded to the nearest 0.001¢ per therm. In the event the Take-or-Pay Reconciliation Adjustment before rounding is less than 0.0005¢ per therm, the Take-or-Pay Reconciliation Adjustment shall be 0.001¢ per therm.

AB = Account Balance The amount of over- or under-collection of the Take-or-Pay Adjustment at the end of a Collection Period.

IF = Interest Factor The factor that represents 10% interest over a two month period before collection begins, plus 10% interest over a twelve month collection period of declining balances. For purposes of this Rider, IF is equal to 1.0667.

ATS = Annual Therm Sales The number of therms associated with service rendered during the twelve consecutive months ended two months prior to the billing period.

AWG = Annual Wheeled Gas The number of therms of customer-owned gas transported and delivered to Customers under Service Classification 76 and Rider OT during the twelve consecutive months ended two months prior to the effective date of the Take-or-Pay Reconciliation Adjustment.

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6. Take-or-Pay Reconciliation Adjustment (Continued)

ABT = Anti-Bypass Therms The number of therms of gas sales and therms of customer-owned gas transported and delivered to Customers served under an anti-bypass contract or rate, if any, during the twelve consecutive months ended two months prior to the effective date of the Take-or-Pay Reconciliation Adjustment.

* Section 6 will terminate when Section 10 becomes effective.

7. Gas Supply Realignment Reconciliation Adjustment

A Gas Supply Realignment Reconciliation Adjustment shall be computed after the conclusion of each twelve months of billing the Gas Supply Realignment Adjustment provided in Section 5 above, (the Collection Periods), and after the final GSRA Collection Period, to determine a charge or credit per Therm (Gas Supply Realignment Reconciliation Adjustment) based on the under- or over-collection of such Gas Supply Realignment Adjustment during the Collection Period and interest on such under- or over-collection during a twelve month recovery period. The Gas Supply Realignment Reconciliation Adjustment shall be effective for billing during the twelve monthly billing periods beginning on Utility's first billing cycle of the third billing month succeeding the Collection Period of final GSRA Collection Period or until the applicable over- or under-collection is completely eliminated. Each Gas Supply Realignment Reconciliation Adjustment shall be determined as follows:

$$GSRRA = \frac{AB \times IF}{ATS + AWG - ABT}$$

Where:

GSRRA = Gas Supply Realignment Reconciliation Adjustment The Gas Supply Realignment Reconciliation Adjustment rounded to the nearest 0.001¢ per Therm. In the event the Gas Supply Realignment Reconciliation Adjustment before rounding is less than 0.0005¢ per Therm, the Gas Supply Realignment Reconciliation Adjustment shall be 0.001¢ per Therm.

AB = Account Balance The amount of over- or under-collection of the Gas Supply Realignment Adjustment at the end of a Collection Period.

IF = Interest Factor The factor that represents 10% interest over a two month period before collection begins, plus 10% interest over a twelve month collection period of declining balances. For purposes of this Rider, IF is equal to 1.0667.

ATS = Annual Therm Sales The number of therms associated with service rendered during the twelve consecutive months ended two months prior to the billing period.

AWG = Annual Wheeled Gas The number of therms of customer-owned gas transported and delivered to Customers under Service Classification 76 and Rider OT during the twelve consecutive months ended two months prior to the effective date of the Gas Supply Realignment Reconciliation Adjustment.

ABT = Anti-Bypass Therms The number of therms of gas sales and therms of customer-owned gas transported and delivered to Customers served under an anti-bypass contract or rate, if any, during the twelve consecutive months ended two months prior to the effective date of the Gas Supply Realignment Reconciliation Adjustment.

* Section 7 will terminate when Section 11 becomes effective.

8. Deferred Payments Adjustment

On January 30, 1989, Utility shall calculate a Deferred Payments Adjustment (DPA) to recover all Take-or-Pay costs including interest thereon paid or payable by Utility to its pipeline suppliers prior to January 30, 1989. Such DPA shall be effective for billing during the initial twelve monthly billing periods following January 30, 1989 or until such payments and interest are completely recovered hereunder. The Deferred Payments Adjustment shall be computed as follows:

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8. Deferred Payments Adjustment (Continued)

$$DPA = \frac{DPP \times IF}{ATS + AWG - ABT}$$

where:

DPA = Deferred Payments Adjustment The Deferred Payments Adjustment rounded to the nearest 0.001¢ per therm.

DPP = Deferred Pipeline Payments shall be the total amount of all Take-or-Pay costs paid by Utility to its pipeline suppliers prior to the initial billing month hereunder, including 0.8333% interest added each month to the total accumulated monthly payments.

IF = Interest Factor The factor that represents 10% interest over a twelve month collection period of declining balances. For purposes of this Rider, IF is equal to 1.05.

ATS = Annual Therm Sales The number of therms associated with service rendered during the twelve consecutive months ended two months prior to the billing period.

AWG = Annual Wheeled Gas The number of therms of customer-owned gas transported and delivered to Customers under Service Classification 76 and Rider OT during the twelve consecutive months ended two months prior to the effective date of the Deferred Payments Adjustment.

ABT = Anti-Bypass Therms The number of therms of gas sales and therms of customer-owned gas transported and delivered to Customers served under an anti-bypass contract or rate, if any, during the twelve consecutive months ended two months prior to the effective date of the Deferred Payments Adjustment.

9. Monthly Customer Credits

(a) Customer subject to Rider H and taking service under Service Classification 76 or Rider OT may qualify for a monthly credit from Utility for gas supply realignment costs incurred directly by Customer from a pipeline supplier on and after November 1, 1994. In order for Customer to qualify for such credit, the following conditions must be satisfied.

- (1) Customer's pipeline supplier shall be directly interconnected with Utility.
- (2) Customer shall provide to Utility, at a minimum, a monthly line-item invoice from pipeline supplier which clearly shows:

- (i) Customer's name,
- (ii) pipeline supplier,
- (iii) gas supply realignment charge per unit,
- (iv) units associated with the gas supply realignment charge(s), and
- (v) date of invoice.

(b) The amount of the credit given to Customer, if any, shall not exceed gas supply realignment charges billed Customer by Utility.

(c) Credits to qualifying Customers shall be given by Utility up to twelve (12) months after the final gas supply realignment costs are incurred by Utility. Utility shall provide Customers with notice accordingly of such time when Utility will terminate credits.

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*10. Total Take-or-Pay Reconciliation Adjustment

Utility shall eliminate the Take-or-Pay Account Balance by computing a Total Take-or-Pay Reconciliation Adjustment after the final TPA Collection to determine a charge or credit per therm based on the net under- or over-collection balance from prior billing periods plus interest and recovered over a period of less than 12 months, as determined by Utility, until the Take-or-Pay Account Balance is zero.

$$TTPRA = \frac{TTPAB * IF}{FTS + FWG - FBT}$$

TTPRA = Total Take-or-Pay Reconciliation Adjustment The Total Take-or-Pay Reconciliation Adjustment rounded to the nearest 0.001 cents per therm.

TTPAB = Total Take-or-Pay Account Balance The net sum of under-and over-recovery balances for Take-or-Pay Reconciliation Adjustments at the end of a billing period.

IF = Interest Factor Annual interest rate for customer deposits pursuant to 83 Illinois Administrative Code 280.70(e)(1) divided by twelve multiplied by the number of months chosen by Utility for the recovery period.

FTS = Forecasted Therm Sales Forecasted number of therms associated with service to be rendered during the months chosen by Utility for the recovery period.

FWG = Forecasted Wheeled Gas Forecasted number of therms of customer-owned gas to be transported and delivered to customers under Service Classification 76 or Rider OT during the months chosen by Utility for the recovery period.

FBT = Forecasted Anti-Bypass Therms Forecasted number of therms of gas sales and therms of customer-owned gas to be transported and delivered to customers served under an anti-bypass contract or rate during the months chosen by Utility for the recovery period.

Each month (whether a billing month or a no-billing month) shall be defined as the period beginning with the first billing cycle of the month for which this Rider is being determined and ending with the last billing cycle thereof. August 2002 shall be the initial no-billing month and September 2002 shall be the initial billing month.

If the over-or under-recovery balance after the initial billing month requires further billings or refunds under this Rider of .0005 cents per therms or more, a second application period shall be required beginning with the 1st billing cycle of the 2nd month after the initial application period. Any required future billings or refunds shall be made at two-month intervals.

*11. Total Gas Supply Realignment Reconciliation Adjustment

Utility shall eliminate the Gas Supply Realignment Account Balance by computing a Total Gas Supply Realignment Reconciliation Adjustment after the final GSRA Collection to determine a charge or credit per therm based on the net under- or over-collection balance from prior billing periods plus interest and recovered over a period of less than 12 months, as determined by Utility, until the Gas Supply Realignment Account Balance is zero.

$$TGSRRRA = \frac{TGSRRAB * IF}{FTS + FWG - FBT}$$

TGSRRRA = Total Gas Supply Realignment Reconciliation Adjustment The Total Gas Supply Realignment Reconciliation Adjustment rounded to the nearest 0.001 cents per therm.

TGSRRAB = Total Gas Supply Realignment Account Balance The net sum of under- and over-recovery balances for Gas Supply Realignment Reconciliation Adjustments at the end of a billing period.

IF = Interest Factor Annual interest rate for customer deposits pursuant to 83 Illinois Administrative Code 280.70(e)(1) divided by twelve multiplied by the number of months chosen by Utility for the recovery period.

FTS = Forecasted Therm Sales Forecasted number of therms associated with service to be rendered during the months chosen by Utility for the recovery period.

FWG = Forecasted Wheeled Gas Forecasted number of therms of customer-owned gas to be transported and delivered to customers under Service Classification 76 or Rider OT during the months chosen by Utility for the recovery period.

FBT = Forecasted Anti-Bypass Therms Forecasted number of therms of gas sales and therms of customer-owned gas to be transported and delivered to customers served under an anti-bypass contract or rate during the months chosen by Utility for the recovery period.

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*11. Total Gas Supply Realignment Reconciliation Adjustment (Continued)

Each month (whether a billing month or a no-billing month) shall be defined as the period beginning with the first billing cycle of the month for which this Rider is being determined and ending with the last billing cycle thereof. August 2002 shall be the initial no-billing month and September 2002 shall be the initial billing month.

If the over-or under-recovery balance after the initial billing month requires further billings or refunds under this Rider of .0005 cents per therm or more, a second application period shall be required beginning with the 1st billing cycle of the 2nd month after the initial application period. Any required future billings or refunds shall be made at two-month intervals.

*12. Additional Terms and Conditions

- (a) On or before the twentieth day of each month that is a billing month, Utility shall file a statement and supporting calculations with the Illinois Commerce Commission showing the amount of the Pipeline Transition Surcharge Adjustment effective for billing during the following month.
- (b) In conjunction with the annual Purchased Gas Adjustment Reconciliation that the Commission orders, Utility shall file with the Commission a statement, certified by Utility's independent public accountant and verified by an officer of Utility, showing the take-or-pay and gas supply realignment charges recoverable through the application of this Rider as recorded on the books of Utility for such year, and the revenues arising through the application of this Rider.
- (c) If a Total Take-or-Pay, or Gas Supply Realignment, Reconciliation Adjustment results in a credit of less than .0005 cents per therm, Utility shall donate such remaining Take-or-Pay, or Gas Supply Realignment, Account Balance to an energy assistance program predominantly within Utility's service territory. If a Total Take-or-Pay, or Gas Supply Realignment, Reconciliation Adjustment results in a charge of less than .0005 cents per therm, Utility shall write-off remaining amount to expense.
- (d) This Rider shall remain in effect until all Ordered Reconciliation amounts resulting from final Commission Orders for any of Utility's remaining Rider H reconciliation proceedings have been properly refunded or collected through the application of this Rider. The application month in which all such amounts have been properly refunded or collected and in which the remaining balance results in a refund or surcharge of less than .0005 cents per therm shall be known as the final application period. Subsequent to such final application period, Utility shall make a compliance filing with the Commission to cancel this Rider and eliminate all other tariff references thereto.
- (e) Any pipeline transition surcharge refunds received after reconciliation balances have been fully refunded or written off shall be included in Utility's next Purchased Gas Adjustment filing following the month of receipt.

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